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Minnesota Labor Market Review

June 1988 Supplement

Nation

State

By Ben Boyle

Rise In Unemployment Rate Not Ominous; Payroll Employment Increases Moderately

Although the nation's seasonally adjusted unemployment rate rose by 0.2 of a percentage point to 5.6 percent in May, economists believe the rise was due to a less than normal increase in employment and that the rate will problably resume its decline in the coming months. Meanwhile, seasonally adjusted nonfarm payroll employment increased by a satisfactory 209,000 in May after a substantially upward revised 249,000 in April. However, employment growth in the goods-producing sector slowed sharply as mining and construction employment fell while manufacturing rose modestly. Most of the May gain in payroll employment was in the services-producing industries.

Other Indicators Show Mixed Trends In May

Except for industrial production, which continued to expand at a healthy pace, most economic barometers showed weak or negative movements in May. Retail sales rose weakly while personal consumption expenditures climbed modestly. On the negative side, housing starts fell sharply in May and are expected to decline further in June.

Unemployment Rate Drops Further; Wage And Salary Employment Picks Up

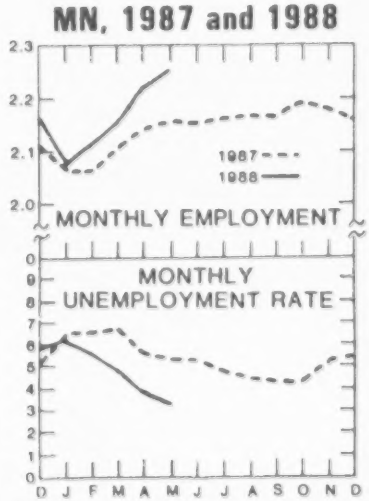
The state's seasonally unadjusted unemployment rate fell to 3.2 percent in May from 3.8 percent in April and was well below the 5.2 percent of May 1987. The rate has dropped steadily from 6.1 percent in January.

Also in May, seasonally adjusted total nonfarm payroll employment rose by a relatively healthy 3,100 after an upward revised gain of 2,100 in June. The preliminary estimate had shown little change in April when seasonally adjusted. Nearly all of the May increase in payroll employment was in the services industry division - particularly in social, business, personal and health services. There were also sizeable over-the-month gains in durable goods manufacturing especially in nonelectrical machinery and miscellaneous manufacturing. Over the year, payroll employment was up by 57,700 or 3.0 percent. The largest over-the-year advances were in the services industry (21,800), manufacturing (14,400) and trade (12,400).

Labor Force Estimates

	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	May. 1988	Change From		May. 1988	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,335.0	22.4	73.2	120.8	0.5	1.1
Employed	2,259.7	34.1	114.7	114.2	0.3	1.9
Unemployed	75.3	-11.7	-41.5	6.6	0.2	-0.8
Unemployment Rate						
Actual	3.2	-0.6	-2.0	5.4	0.1	-0.7
Seasonally Adjusted	n.a.	n.a.	n.a.	5.6	0.2	-0.7

* Components may not add to Civilian Labor Force due to rounding.



Minnesota Nonagricultural Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	May 1988	Apr. 1988	May 1986	Apr. 1988	May 1987	May 1988	May 1987	May 1988	May 1987	May 1988	May 1987
Total Nonagricultural	2,025.5	1,993.1	1,967.5	1.6	2.9	-	-	-	-	-	-
Manufacturing	383.6	381.0	369.6	0.7	3.8	422.25	424.09	10.53	10.42	40.1	40.7
Durable Goods	229.6	227.5	219.6	0.9	4.6	441.83	450.47	10.75	10.70	41.1	42.1
Lumber and Furniture	23.0	22.2	20.1	3.3	14.2	448.36	499.90	11.83	11.79	37.9	42.4
Stone, Clay and Glass	9.0	8.3	8.8	7.7	2.1	421.48	425.97	10.23	10.57	41.2	40.3
Primary Metals	7.0	6.8	6.4	2.2	8.9	427.13	431.10	9.62	9.58	44.4	45.0
Fabricated Metals	34.0	33.9	32.7	0.1	4.0	506.46	496.83	12.03	11.69	42.1	42.5
Nonelectrical Machinery	80.4	80.2	79.4	0.2	1.2	467.74	465.92	11.19	11.20	41.8	41.6
Office and Computing	38.5	38.5	40.0	0.1	-3.8	499.90	518.49	11.79	12.03	42.4	43.1
Electrical Machinery	29.4	29.4	27.4	0.0	7.1	350.83	369.78	8.62	8.66	40.7	42.7
Transportation Equipment	10.6	10.4	9.6	1.6	10.0	509.41	491.73	11.93	11.57	42.7	42.5
Scientific Instruments	30.7	30.7	29.8	0.0	3.1	410.06	417.22	10.10	9.84	40.6	42.4
Misc. Manufacturing	5.7	5.5	5.4	3.1	5.2	415.53	419.09	10.26	10.53	40.5	39.8
Nondurable Goods	154.0	153.5	150.0	0.4	2.7	396.54	390.56	10.22	10.04	38.8	38.9
Food and Kindred	44.1	43.8	42.5	0.8	3.8	371.60	354.42	9.29	8.95	40.0	39.6
Textiles and Apparel	4.8	4.8	4.7	-0.6	1.3	275.80	255.68	7.22	6.80	38.2	37.6
Paper and Allied	32.2	32.2	32.4	0.2	-0.3	498.87	486.55	12.05	11.64	41.4	41.8
Printing and Publishing	46.7	46.6	44.9	0.4	4.1	381.58	377.28	10.57	10.48	36.1	36.0
Chemicals and Petroleum	11.0	10.9	10.8	0.9	2.2	483.00	497.71	12.29	12.35	39.3	40.3
Rubber, Plastic & Leather	15.1	15.2	14.7	-0.5	2.8	341.11	331.01	8.86	8.62	38.5	38.4
Nonmanufacturing	1,641.9	1,612.1	1,597.9	1.9	2.8	-	-	-	-	-	-
Mining	7.2	6.7	6.0	7.6	19.6	524.59	546.99	12.58	12.81	41.7	42.7
Metal Mining	5.2	5.1	4.0	2.6	30.7	547.69	599.81	13.49	14.18	40.6	42.3
Construction	80.8	71.9	84.7	12.3	-4.6	591.57	614.00	15.65	15.35	37.8	40.0
Transp., Comm., Pub. Util.	102.0	101.1	100.5	0.8	1.5	-	-	-	-	-	-
Transportation	67.8	67.2	67.1	0.8	0.9	-	-	-	-	-	-
Trucking & Warehousing	25.6	25.6	26.1	0.0	-1.8	413.33	420.89	12.64	12.06	32.7	34.9
Comm. & Public Util.	34.2	33.9	33.4	0.8	2.6	593.02	577.10	14.90	14.61	39.8	39.5
Trade	501.8	493.2	489.4	1.7	2.5	231.18	226.38	7.89	7.70	29.3	29.4
Wholesale	124.4	123.3	120.8	0.9	3.0	423.60	414.67	11.06	10.66	38.3	38.9
Retail	377.5	369.9	368.6	2.0	2.4	174.50	174.20	6.56	6.50	26.6	26.8
Building Materials	18.1	17.2	17.9	5.4	1.3	306.60	329.56	8.40	8.56	36.5	38.5
General Merchandise	54.4	54.3	52.9	0.3	2.8	151.59	136.85	6.29	5.75	24.1	23.8
Food Stores	51.1	50.0	48.8	2.3	4.6	195.47	197.22	7.16	7.12	27.3	27.7
Automotive	41.0	40.5	39.9	1.4	2.8	322.73	329.46	9.04	8.67	35.7	38.0
Apparel	19.3	19.2	18.9	0.6	2.4	120.87	118.39	5.42	5.17	22.3	22.9
Home Furnishings	16.8	16.8	15.9	0.2	5.6	234.31	230.12	7.51	7.62	31.2	30.2
Eating and Drinking	128.7	124.4	126.8	3.5	1.5	108.11	101.66	4.68	4.60	23.1	22.1
Fin., Insur., Real Estate	123.5	122.5	119.4	0.8	3.5	-	-	-	-	-	-
Finance	56.6	56.5	55.1	0.1	2.7	-	-	-	-	-	-
Insurance	45.7	45.6	43.9	0.4	4.2	-	-	-	-	-	-
Real Estate	21.2	20.5	20.4	3.5	4.0	-	-	-	-	-	-
Services	495.0	488.3	473.1	1.4	4.6						
Personal Services	25.4	25.8	24.3	-1.5	4.5						
Business Services	97.2	95.6	90.3	1.7	7.6						
Repair Services	20.4	20.2	19.3	1.0	5.7						
Health Services	152.2	151.8	147.5	0.3	3.2						
Hospitals	52.7	52.4	50.9	0.7	3.5						
Nursing Homes	40.9	41.0	41.1	-0.4	-0.7						
Legal Services	14.8	14.8	14.0	0.1	5.5						
Private Education	26.4	26.7	26.2	-1.0	0.8						
Government	331.7	328.3	324.9	1.0	2.1						
Federal	33.9	33.9	32.9	0.0	3.1						
State	83.5	82.8	80.2	0.9	3.5						
Education	46.1	45.9	44.6	0.4	3.2						
Local	214.2	211.6	211.2	1.2	1.4						
Education	117.7	117.0	115.7	0.6	1.8						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Minneapolis–St. Paul MSA

By Kevin Alaspa

The Unemployment Rate Declines In May

Favorable labor market conditions continued into May, as employment in the Twin Cities metropolitan area increased and unemployment declined. The unemployment rate for May was 2.8 percent, the lowest since October, 1978. Strong business conditions such as retail sales and construction activity have been responsible for the steady increase in jobs, and this employment growth has paralleled increases which have taken place statewide.

Employment Grows Most In Nonmanufacturing Industries

Wage and salary employment grew by 14,600 in May, a 1.1 percent increase over April. Almost all gains were in nonmanufacturing industries, although manufacturing employment posted a small increase of 1,000. Construction accounted for the largest share of the monthly gain, as seasonal hiring produced 4,600 additional jobs. The services sector grew by 3,800, and most of this gain took place in business services. Retail trade employment increased by 2,900, largely because of hiring by restaurants and food stores. Government grew by 1,200, primarily due to gains in local government.

While the unemployment rate in May was the lowest in nearly a decade, it is not likely to drop further in the next few months. As to school year ends, large numbers of students and recent graduates enter the labor force, and not all are absorbed onto payrolls immediately. The result is an expected rise in the unemployment rate during June.

Job Prospects Remain Good In The Metro Area

The diversity of industries in the Twin Cities area is a central factor in the continuing growth of jobs. Manufacturing provides a stable employment base, and while jobs in certain mature industries have declined, many newer manufacturing firms have produced a slowly but steadily increasing number of positions. The services and government sectors, which include the medical and educational institutions in the area, contribute to a stable employment base. Wholesale and retail trade add to the job growth in the metropolitan area.

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	May. 1988	Apr. 1988	May. 1987	May. 1988	Apr. 1988	May. 1987	May. 1988	Apr. 1988	May. 1987
Mpls.-St.Paul MSA*	1,346,237	1,329,800	1,279,881	38,688	41,503	56,644	2.8	3.0	4.2
REGION 11	1,264,691	1,249,450	1,201,855	35,801	37,436	52,463	2.8	2.9	4.2
Anoka	126,719	125,192	120,423	3,955	4,378	6,250	3.0	3.4	4.9
Carver	23,242	22,962	22,087	555	676	855	2.3	2.9	3.7
Dakota	133,277	131,671	126,655	3,869	4,107	5,714	2.8	3.0	4.3
Hennepin	608,461	601,128	578,230	16,975	16,984	24,261	2.7	2.7	4.0
Ramsey	275,001	271,687	261,338	7,701	8,125	11,423	2.7	2.9	4.2
Scott	27,342	27,012	25,983	857	1,138	1,465	3.0	4.0	5.3
Washington	70,649	69,798	67,139	1,889	2,028	2,495	2.6	2.8	3.6
Chisago	13,855	13,688	13,166	615	842	877	4.3	5.8	6.2
Isanti	11,948	11,804	11,354	400	552	731	3.2	4.5	6.0
Wright	31,633	31,250	30,063	1,164	1,718	1,551	3.5	5.2	4.9
St. Croix, WI	24,110	23,608	23,443	708	955	1,022	2.9	3.9	4.2
Bloomington	57,340	56,657	54,499	1,649	1,523	2,245	2.8	2.6	4.0
Minneapolis	212,149	209,592	201,609	6,713	6,638	9,741	3.1	3.1	4.6
St. Paul	145,994	144,234	138,740	4,703	4,9??	7,141	3.1	3.3	4.9

* Chisago, Isanti and Wright counties are a part of the Minneapolis-St. Paul MSA, and are also included in Region 7.

Note: Add employment and unemployment to calculate civilian labor force.

Mpls.–St. Paul Nonagricultural Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	May 1988	Apr. 1988	May 1987	Apr. 1988	May 1987	May 1988	May 1987	May 1988	May 1987	May 1988	May 1987
Total Nonagricultural	**1,320.8**	**1,306.6**	**1,280.9**	**1.1**	**3.1**	-	-	-	-	-	-
Manufacturing	**259.9**	**258.9**	**251.2**	**0.4**	**3.5**	**450.64**	**454.82**	**11.21**	**11.23**	**40.2**	**40.5**
Durable Goods	162.3	161.5	156.0	0.4	4.0	467.21	471.66	11.34	11.23	41.2	42.0
Lumber and Furniture	9.7	9.5	9.2	2.6	5.3	514.30	549.56	13.57	12.49	37.9	44.0
Stone, Clay and Glass	3.6	3.3	3.3	7.3	8.8	464.36	492.33	11.58	12.37	40.1	39.8
Primary Metals	5.0	4.9	4.8	2.7	5.1	426.20	426.27	9.45	9.41	45.1	45.3
Fabricated Metals	26.1	26.1	25.4	0.1	2.9	528.36	525.21	12.55	12.30	42.1	42.7
Nonelectrical Machinery	63.8	63.6	62.0	0.2	2.8	480.06	474.73	11.43	11.33	42.0	41.9
Office and Computing	31.7	31.8	32.0	-0.3	-1.0	477.70	478.97	11.32	11.35	42.2	42.2
Electrical Machinery	16.4	16.6	15.3	-1.1	7.7	353.60	364.26	9.09	9.34	38.9	39.0
Transportation Equipment	5.9	5.8	5.5	1.5	8.1	683.97	618.57	15.37	14.22	44.5	43.5
Scientific Instruments	28.5	28.5	27.4	0.1	4.0	418.77	424.03	10.34	10.12	40.5	41.9
Misc. Manufacturing	3.2	3.2	3.2	-1.4	0.1	428.68	446.07	10.28	10.96	41.7	40.7
Nondurable Goods	97.7	97.4	95.1	0.3	2.7	427.19	431.97	11.01	11.22	38.8	38.5
Food and Kindred	18.5	18.3	17.7	0.7	4.3	474.89	461.74	11.28	10.89	42.1	42.4
Textiles and Apparel	2.3	2.3	2.1	-0.7	9.3	257.56	254.29	6.85	6.91	37.6	36.8
Paper and Allied	25.0	25.0	25.2	0.0	-0.5	451.16	451.13	11.48	11.25	39.3	40.1
Printing and Publishing	32.2	32.1	31.3	0.5	3.1	385.20	395.76	10.70	11.64	36.0	34.0
Chemicals and Petroleum	9.2	9.1	9.0	1.0	2.1	536.11	563.88	13.27	13.49	40.4	41.8
Rubber, Plastic & Leather	10.4	10.5	9.9	-0.7	5.5	393.82	386.51	9.92	9.81	39.7	39.4
Nonmanufacturing	**1,060.8**	**1,047.7**	**1,029.7**	**1.3**	**3.0**	-	-	-	-	-	-
Mining	0.6	0.6	0.7	8.2	-6.8	268.29	208.78	8.13	8.03	33.0	26.0
Construction	54.2	49.6	55.8	9.3	-2.9	624.56	654.89	16.88	17.01	37.0	38.5
Transp., Comm., Pub. Util.	71.2	71.2	69.3	0.0	2.7	-	-	-	-	-	-
Transportation	48.4	48.5	48.0	-0.2	0.9	-	-	-	-	-	-
Trucking & Warehousing	15.6	15.7	15.9	-0.6	-1.7	400.37	396.93	13.17	13.10	30.4	30.3
Comm. & Public Util.	22.8	22.7	21.3	0.3	7.0	588.80	561.74	14.72	14.33	40.0	39.2
Trade	322.2	319.3	312.9	0.9	3.0	253.41	248.83	8.59	8.35	29.5	29.8
Wholesale	86.1	86.0	81.7	0.0	5.4	438.44	442.86	11.30	11.24	38.8	39.4
Retail	236.1	233.2	231.2	1.2	2.1	194.51	190.72	7.34	7.09	26.5	26.9
Building Materials	10.9	10.5	10.4	4.0	4.9	324.02	353.03	9.53	9.49	34.0	37.2
General Merchandise	38.3	38.3	38.2	0.2	0.3	161.28	152.81	6.61	6.04	24.4	25.3
Food Stores	27.3	26.9	27.6	1.5	-0.8	246.08	237.72	8.82	8.40	27.9	28.3
Automotive	23.7	23.5	23.0	0.7	2.9	384.10	404.88	10.64	10.25	36.1	39.5
Apparel	12.8	12.7	12.5	0.7	2.1	115.56	113.21	5.40	5.34	21.4	21.2
Home Furnishings	11.6	11.6	11.1	-0.1	4.1	251.91	202.18	8.10	7.02	31.1	28.8
Eating and Drinking	80.8	79.1	79.2	2.1	2.0	123.35	109.12	5.34	4.96	23.1	22.0
Fin., Insur., Real Estate	96.4	95.8	92.8	0.6	3.8	-	-	-	-	-	-
Finance	41.6	41.5	39.5	0.1	5.3	-	-	-	-	-	-
Insurance	38.1	37.9	36.9	0.5	3.2	-	-	-	-	-	-
Real Estate	16.8	16.4	16.5	2.2	1.8	-	-	-	-	-	-
Services	333.0	329.2	321.3	1.2	3.7						
Personal Services	17.8	18.2	17.6	-2.2	1.5						
Business Services	81.1	79.9	78.2	1.5	3.7						
Repair Services	15.2	15.1	14.3	0.4	6.2						
Health Services	85.3	85.3	83.0	0.0	2.7						
Hospitals	30.9	30.7	30.5	0.6	1.2						
Nursing Homes	21.7	21.9	21.7	-1.0	0.1						
Legal Services	11.7	11.6	11.0	0.6	6.1						
Private Education	16.2	15.9	15.6	1.7	3.4						
Government	183.2	182.0	176.9	0.7	3.6						
Federal	20.7	20.7	19.8	0.1	4.7						
State	55.3	55.4	52.9	-0.2	4.6						
Education	30.9	30.7	29.3	0.5	5.5						
Local	107.2	105.9	104.2	1.2	2.8						
Education	58.8	58.5	57.7	0.5	1.9						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Central and Northwest Minnesota

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	May 1988	Apr. 1988	May 1987	May 1988	Apr. 1988	May 1987	May 1988	Apr. 1988	May 1987
St. Cloud MSA*	93,676	91,773	86,703	3,175	4,104	5,501	3.3	4.3	6.0
REGION 1	40,634	40,247	38,971	2,639	3,151	3,819	6.1	7.3	8.9
Kittson	2,480	2,461	2,409	172	208	288	6.5	7.8	10.7
Marshall	4,740	4,519	4,589	471	597	725	9.0	11.7	13.6
Norman	3,666	3,665	3,507	210	247	301	5.4	6.3	7.9
Pennington	6,069	6,027	5,841	377	493	504	5.8	7.6	7.9
Polk	13,849	13,920	13,426	881	1,056	1,326	6.0	7.1	9.0
Red Lake	1,418	1,408	1,421	203	235	313	12.5	14.3	18.1
Roseau	8,412	8,247	7,778	325	315	362	3.7	3.7	4.4
REGION 2	30,577	29,167	28,697	1,620	2,214	2,358	5.0	7.1	8.2
Beltrami	15,911	15,335	14,917	707	925	1,089	4.3	5.7	6.8
Clearwater	3,315	3,196	3,122	348	486	515	9.5	13.2	14.2
Hubbard	7,262	6,601	6,806	364	513	595	4.8	7.2	8.0
Lake of Woods	1,783	1,772	1,652	75	103	120	4.0	5.5	6.8
Mahnomen	2,306	2,263	2,200	126	187	239	5.2	7.6	9.8
REGION 4	95,994	93,733	91,542	3,474	4,777	5,318	3.5	4.8	5.5
Becker	13,928	13,293	13,129	653	921	935	4.5	6.5	6.6
Clay	25,489	25,107	24,275	735	1,076	1,112	2.8	4.1	4.4
Douglas	15,321	14,709	14,263	541	670	757	3.4	4.4	5.0
Grant	2,820	2,754	2,762	116	154	168	4.0	5.3	5.7
Otter Tail	23,620	22,889	22,494	985	1,320	1,467	4.0	5.5	6.1
Pope	4,522	4,409	4,348	166	260	336	3.5	5.6	7.2
Stevens	4,878	5,194	4,950	93	135	197	1.9	2.5	3.8
Traverse	2,098	2,115	2,073	62	80	105	2.9	3.6	4.8
Wilkin	3,318	3,263	3,248	123	161	241	3.6	4.7	6.9
REGION 5	58,940	55,874	55,553	2,886	3,853	4,466	4.7	6.5	7.4
Cass	8,520	7,565	8,332	581	750	677	6.4	9.0	9.5
Crow Wing	21,103	19,752	19,825	867	1,143	1,399	3.9	5.5	6.6
Morrison	14,386	13,721	12,776	714	954	1,012	4.7	6.5	7.3
Todd	10,108	10,138	9,795	526	741	828	4.9	6.8	7.8
Wadena	4,823	4,698	4,825	198	265	350	3.9	5.3	6.8
REGION 6E	54,039	53,412	50,459	1,941	2,414	3,177	3.5	4.3	5.9
Kandiyohi	19,598	19,229	17,815	618	761	995	3.1	3.8	5.3
McLeod	16,861	16,759	15,783	439	542	779	2.5	3.1	4.7
Meeker	8,577	8,488	8,080	429	559	675	4.8	6.2	7.7
Renville	9,003	8,936	8,781	455	552	728	4.8	5.8	7.7
REGION 7E	50,519	49,245	47,673	2,360	3,268	3,526	4.5	6.2	6.9
Chisago	13,855	13,668	13,166	615	842	877	4.3	5.8	6.2
Isanti	11,948	11,804	11,354	400	552	731	3.2	4.5	6.0
Kanabec	5,846	5,576	5,477	373	522	515	6.0	8.6	8.6
Mille Lacs	8,962	8,714	8,299	391	534	609	4.2	5.8	6.8
Pine	9,908	9,463	9,377	581	818	794	5.5	8.0	7.8
REGION 7W	125,309	123,023	116,766	4,339	5,822	7,052	3.3	4.5	5.7
Benton	14,710	14,411	13,615	519	673	915	3.4	4.5	6.3
Sherburne	17,658	17,299	16,344	748	928	1,093	4.1	5.1	6.3
Stearns	61,308	60,063	56,744	1,908	2,503	3,493	3.0	4.0	5.8
Wright	31,633	31,250	30063	1,164	1,718	1551	3.5	5.2	4.9

* Benton, Stearns, and Sherburne counties

Note: Add employment and unemployment to calculate civilian labor force.

St. Cloud MSA Nonfarm Wage & Salary Employment

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	May 1988	Apr. 1988	May 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	73,438	71,781	69,606	2.3	5.5
Total Manufacturing	12,351	12,228	11,675	1.0	5.8
Durable Goods	6,971	6,956	6,829	0.2	2.1
Nondurable Goods	5,380	5,272	4,846	2.0	11.0
Total Nonmanufacturing	61,087	59,553	57,931	2.6	5.4
Construction & Mining	4,000	3,600	3,872	11.1	3.3
Transp., Comm., & Public Util.	3,525	3,500	3,426	0.7	2.9
Total Trade	22,301	21,786	21,085	2.4	5.8
Wholesale Trade	3,690	3,600	3,450	2.5	7.0
Retail Trade	18,611	18,186	17,635	2.3	5.5
Finan., Insur., & Real Estate	2,380	2,391	2,322	-0.5	2.5
Total Services	14,897	14,647	14,473	1.7	2.9
Health Services	5,161	5,161	4,865	0.0	6.1
Other Services	9,736	9,486	9,608	2.6	1.3
Government	13,984	13,629	12,753	2.6	9.7

By Ron Daws

Unemployment Rates Reach New Lows While Employment Reaches Record Highs

When the St. Cloud MSA's unemployment rate dropped to 3.3 percent this May it reached the lowest level recorded for the month or any month since records were started in 1970. The next lowest rate occurred in May of 1970 at 3.8 percent.

Meanwhile, the total number of jobs in the MSA reached a new high this May at 93,676, up eight percent or nearly 7,000 jobs over the year. Employment rose and unemployment declined across all of Central and Northwestern Minnesota, but not as prodigiously as it did in the MSA.

The number of nonfarm payroll workers in the St. Cloud MSA (73,438) has also never been higher than it was during May 1988. The previous high occurred last month in April at 71,781. A year ago in May there were 3,832 or 5.5 percent fewer workers.

The MSA's fastest growing industries over the year were nondurable goods (up 11.1%), government (up 9.7%), wholesale trade (up 7%) and health services (up 6.1%). No major industry cell lost workers over the year. Because of their size, government and retail trade accounted for the most added workers. Their collective 2,207 new jobs comprised 57.6% of the total nonfarm payroll employment gain.

Every industry category except finance, insurance and real estate also added jobs over the month. Construction and mining grew fastest at 11 percent, but this was seasonal. Over the year there were only 3.3 percent more construction workers.

Probably in June the unemployment rate will rise as students and graduates are released into the job market. Certainly the rate cannot go much lower than it is now.

Northeast Minnesota

By Ron Daws

Northeast Minnesota's Unemployment Declining And Employment Rising

Duluth's unemployment rate dropped from 8.0 percent last May to 5.0 percent this May. It was the lowest May rate since records were begun in 1980. In May 1983, the rate was 14.1 percent. Meanwhile, total employment rose to 36,297, the highest May level since pre-recessionary 1982 when it totaled 36,413. Employment also rose all across Northeast Minnesota over the month and year while unemployment dropped.

The number of nonfarm payroll jobs in Duluth also rose by 436 (one percent) over the month to 43,593, although that still was 553 fewer (down 1.3%) than last May. The loss was essentially due to the construction industry and the completion of the several projects proceeding full bore last year at this time. Last year there were 2,482 construction jobs; this May less than half (1,112) remained. Nondurable goods manufacturing was the only other category to lose workers over the month and year, although nonmedical services probably lost a small number of workers.

The one percent rise in Duluth's payroll employment over the month was typical. Except for the 12 percent jump in construction jobs, all industry employment remained fairly level.

Over the last five years manufacturing and nonmanufacturing have grown at about the same rate, 9.3 and 9.8 percent respectively. However, durable and nondurable goods manufacturing are moving in opposite directions with durable goods employment having dropped 7.5 percent since May 1983, and nondurable goods jobs rising by 25 percent. Among the nonmanufacturing industries, the biggest job losers over the last five years have been construction (from 1,112 to 891), retail trade (from 9,302 to 8,523), and local government (from 7,245 to 5,391).

Duluth's economy gradually improves, but it is doubtful that the jobless rate will drop much further, especially with students and graduates entering the job market in June.

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	May 1988	Apr. 1988	May 1987	May 1988	Apr. 1988	May 1987	May 1988	Apr. 1988	May 1987
REGION 3	131,121	127,942	125,438	7,839	9,533	13,282	5.6	6.9	9.6
Aitkin	5,133	4,931	4,862	376	517	575	6.8	9.5	10.6
Carlton	11,982	11,632	11,200	712	909	1,021	5.6	7.2	8.4
Cook	2,544	2,205	2,408	116	153	174	4.4	6.5	6.7
Itasca	16,200	15,647	15,575	1,182	1,427	1,831	6.8	8.4	10.5
Koochiching	7,471	7,153	6,865	388	499	560	4.9	6.5	7.6
Lake	3,700	3,355	3,509	386	459	736	9.4	12.0	17.3
St. Louis	84,091	83,019	81,019	4,679	5,569	8,365	5.3	6.3	9.4
City of Duluth	36,297	35,834	34,971	1,896	1,999	2,429	5.0	5.3	6.5
Balance St. Louis	47,794 1987	47,185 1987	46,048 1986	2,783 1987	3,570 1987	5,936 1986	5.5 1987	7.0 1987	11.4 1986

Note: Add employment and unemployment to calculate civilian labor force.

Duluth and Duluth–Superior Nonfarm Wage & Salary Employment

INDUSTRY	DULUTH EMPLOYMENT			PERCENT CHANGE		DULUTH-SUPERIOR EMPLOYMENT			PERCENT CHANGE	
	May 1988	Apr. 1988	May 1987	Mo. Ago	Yr. Ago	May 1988	Apr. 1988	May 1987	Mo. Ago	Yr. Ago
Total Nonag. Wage & Salary	43,593	43,157	44,146	1.0	-1.3	89,945	88,090	88,991	2.1	1.1
Total Manufacturing	3,850	3,853	3,872	-0.1	-0.6	7,624	7,710	7,379	-1.1	3.3
Durable Goods1,	1,568	1,552	1,491	1.0	5.2	4,086	4,157	3,896	-1.7	4.9
Nondurable Goods	2,282	2,301	2,381	-0.8	-4.2	3,538	3,553	3,483	-0.4	1.6
Total Nonmanufacturing	39,743	39,304	40,274	1.1	-1.3	82,321	80,612	81,612	2.4	0.9
Construction	1,112	993	2,482	12.0	-55.2	2,983	2,547	4,352	17.1	-31.5
Transp., Comm., Pub. Util.	2,978	2,936	2,805	1.4	6.2	6,020	5,920	5,686	1.7	5.9
Total Trade	10,952	10,925	10,854	0.2	0.9	21,932	21,415	21,995	2.4	-0.3
Wholesale Trade	1,602	1,626	1,342	-1.5	19.4	2,518	2,551	2,252	-1.3	11.8
Retail Trade	9,302	9,308	9,180	-0.1	1.3	18,380	17,962	18,462	2.3	-0.4
Finan., Insur., Real Est.	1,867	1,822	1,815	2.5	2.9	3,199	3,139	3,122	1.9	2.5
Services, Mining, & Misc.	12,308	12,220	12,036	0.7	2.3	25,824	25,184	24,562	2.5	5.1
Health Service	5,505	5,501	5,227	0.1	5.3	8,833	8,821	8,428	0.1	4.8
Other Services	5,861	5,811	5,893	0.9	-0.5	10,601	10,220	10,887	3.7	-2.6
Government	10,526	10,408	10,282	1.1	2.4	22,363	22,175	21,895	0.8	2.1

Southern Minnesota

By Sue Borgfelt

Labor Force Estimates

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	May 1988	Apr. 1988	May 1987	May 1988	Apr. 1988	May 1987	May 1988	Apr. 1988	May 1987
REGION 6W	24,464	24,409	23,582	846	992	1,390	3.3	3.9	5.6
Big Stone	2,917	2,875	2,869	131	135	184	4.3	4.5	6.0
Chippewa	6,791	6,822	6,506	229	307	381	3.3	4.3	5.5
Lac Qui Parle	4,172	4,186	4,052	93	109	150	2.2	2.5	3.6
Swift	4,832	4,808	4,643	194	204	356	3.9	4.1	7.1
Yellow Medicine	5,752	5,718	5,512	199	237	319	3.3	4.0	5.5
REGION 8	59,282	58,884	57,179	1,897	2,241	3,283	3.1	3.7	5.4
Cottonwood	5,988	6,141	5,902	211	229	475	3.4	3.6	7.4
Jackson	5,274	5,289	5,068	199	260	588	3.6	4.7	10.4
Lincoln	3,231	3,192	3,233	130	121	125	3.9	3.7	3.7
Lyon	12,237	11,784	11,614	457	495	561	3.6	4.0	4.6
Murray	4,536	4,497	4,479	193	230	262	4.1	4.9	5.5
Nobles	10,132	10,183	9,720	281	356	495	2.7	3.4	4.8
Pipestone	5,637	5,565	5,024	90	112	134	1.6	2.0	2.6
Redwood	7,635	7,576	7,453	236	288	452	3.0	3.7	5.7
Rock	4,612	4,657	4,666	100	150	191	2.1	3.1	3.9
REGION 9	106,210	105,646	102,460	3,332	3,999	6,307	3.0	3.6	5.8
Blue Earth	28,423	28,186	26,639	618	739	1,167	2.1	2.6	4.2
Brown	13,108	13,060	12,701	447	513	671	3.3	3.8	5.0
Faribault	7,825	7,719	7,838	244	308	524	3.0	3.8	6.3
Le Sueur	10,685	10,663	10,296	538	641	864	4.8	5.7	7.7
Martin	10,973	11,053	11,205	544	622	1,305	4.7	5.3	10.4
Nicollet	14,572	14,450	13,657	301	365	534	2.0	2.5	3.8
Sibley	6,167	6,154	6,100	273	352	432	4.2	5.4	6.6
Waseca	8,621	8,584	8,569	239	295	580	2.7	3.3	6.3
Watonwan	5,836	5,777	5,425	128	164	230	2.1	2.8	4.1
REGION 10	217,883	214,585	204,841	6,321	7,309	10,150	2.8	3.3	4.7
Dodge	8,169	8,020	7,510	292	373	461	3.5	4.4	5.8
Fillmore	9,668	9,769	9,524	387	513	637	3.8	5.0	6.3
Freeborn	16,927	16,932	15,977	496	513	854	2.8	2.9	5.1
Goodhue	20,421	20,169	19,478	554	687	819	2.6	3.3	4.0
Houston	9,250	9,064	8,508	281	411	469	2.9	4.3	5.2
Mower	16,671	16,500	16,460	561	569	975	3.3	3.3	5.6
Olmsted	57,646	57,021	54,735	1,359	1,455	2,207	2.3	2.5	3.9
Rice	26,889	26,360	25,123	809	927	1,280	2.9	3.4	4.8
Steele	16,656	15,964	14,976	479	464	766	2.8	2.8	4.9
Wabasha	9,136	8,659	8,246	296	420	489	3.1	4.6	5.6
Winona	26,450	26,127	24,304	807	977	1,191	3.0	3.6	4.7
Rochester City	35,646	35,260	33,846	981	980	1,536	2.7	2.7	4.3

Note: Add employment and unemployment to calculate civilian labor force.

Rochester MSA Nonfarm Wage & Salary Employment

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	May 1988	Apr. 1988	May 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	58,105	57,429	56,663	1.2	2.5
Total Manufacturing	10,768	10,749	10,307	0.2	4.5
Durable Goods	9,045	9,013	8,619	0.4	4.9
Nondurable Goods	1,723	1,736	1,688	-0.7	2.1
Total Nonmanufacturing	47,337	46,680	46,356	1.4	2.1
Construction & Mining	1,991	1,682	1,829	18.4	8.9
Transp., Comm., & Public Util.	1,685	1,685	1,673	0.0	0.7
Total Trade	11,450	11,320	11,712	1.1	-2.2
Wholesale Trade	1,207	1,230	1,201	-1.9	0.5
Retail Trade	10,243	10,090	10,511	1.5	-2.5
Finan., Insur., & Real Estate	1,642	1,627	1,541	0.9	6.6
Total Services	24,478	24,367	23,481	0.5	4.2
Health Services	17,181	17,109	16,371	0.4	4.9
Other Services	7,297	7,258	7,110	0.5	2.6
Government	6,091	5,999	6,120	1.5	-0.5

Unemployment remains down

According to this month's labor force estimates, overall unemployment for Southern Minnesota remained significantly down from last year and last month. According to the figures, which are subject to sampling error, across Southern Minnesota the average unemployment rate dropped from 5.2% in May last year to 2.9% this May. This was a drop of 2.3 percentage points. Comparable yearly declines for February, March, and April were 1.6%, 2.4%, and 2.2%, respectively. Additionally, there was less variance between counties' rates for these four months this year than last.

Although the over-the-year growth has been slowing since January, nonfarm payroll employment in the Rochester MSA reached its highest level ever, up 2.5 percent from May 1987. Health services and durable goods manufacturing added the most jobs over the year; the largest percent employment increase came from construction, a substantial 8.9 percent. Finance, insurance and real estate increased 6.6% percent. Retail trade employment was still lower than last year, but seasonally up from last month by 153 jobs.

Total nonmanufacturing employment reached an all-time high this month, although the over-the-year percent increase has been declining since January. For the second month in a row, manufacturing employment's yearly increase was double that of nonmanufacturing employment's.

Over the past five years, the industries with the largest percent employment changes include federal government (up 107% primarily due to correctional institution employment), other services (up 23%), health services (up 19%), and transportation, communication and public utilities (down 12%). Construction employment in May 1988 was up 22 percent over May 1983, but the significance of this is hard to judge as the level of employment has been higher in the past and is subject to seasonal factors.

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Selected Minnesota Program Statistics

Distribution of Insured Unemployed by Industry and Occupation, May 1988

Industry Attachment	Number	Percent of Total	Percent */ Long-Term Unemployed	Women as Percent of Total
TOTAL, ALL INDUSTRIES	27,443	100.0	28.4	33.3
Ag., For., Fish.	292	1.1	38.7	25.1
Mining	125	0.5	51.3	12.0
Construction	6,843	24.9	37.0	4.4
Manufacturing	6,839	24.9	22.2	38.8
Public Utilities	1,269	4.6	28.1	20.6
Wholesale Trade	1,914	7.0	26.0	32.4
Retail Trade	3,094	11.3	28.4	45.3
Fin., Ins., Re. Est.	1,333	4.9	36.2	61.5
Services	4,826	17.6	24.5	55.1
Public Admin.	373	1.4	28.2	46.6
Info. Not Available	535	1.9	6.2	32.5
Occupational Attachment				
TOTAL, ALL OCCUPATIONS	27,443	100.0	28.4	33.3
Prof., Tech., Mgr.	5,228	19.1	29.5	41.4
Clerical	3,359	12.2	25.1	81.7
Sales	1,284	4.7	29.7	35.9
Services	1,683	6.1	26.7	56.2
Farm, For., Fish.	304	1.1	24.2	10.8
Processing	1,346	4.9	16.8	43.3
Machine Trades	1,389	5.1	24.8	17.4
Benchwork	1,985	7.2	21.0	63.2
Structural Work	7,196	26.2	35.2	2.1
Misc., and INA	3,669	13.4	26.7	15.1

Distribution of Insured Unemployed, by Age and Sex, May 1988

Age Groups	Number	Percent Distribution: Men of Totals	Men of Men	Women of Women
TOTALS	27,443	66.7	100.0	100.0
Under 45	20,148	67.4	74.2	71.9
Under25	2,901	65.7	10.4	10.9
25-34	10,044	68.5	37.6	34.7
35-44	7,203	66.6	26.2	26.3
45 and over	7,295	64.8	25.8	28.1
45-54	4,253	64.0	14.9	16.7
55 and over	3,042	65.8	10.9	11.4

Experienced Supply/Job Openings Demand **/

Applicants (Supply) May 1988	Job Openings (Demand) May 1988	Supply/Demand Ratio: May 1988	May 1988
64,673	22,828	2.8	4.5
10,477	1,957	5.4	5.7
11,742	2,960	4.0	4.9
3,297	3,357	1.0	1.9
7,757	7,117	1.1	2.3
2,466	519	4.8	9.2
1,274	1,484	0.9	2.1
3,963	921	4.3	10.1
4,035	1,334	3.0	4.8
10,025	1,126	8.9	13.5
9,637	2,053	4.7	6.7

*/ Long-term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

**/ Inexperienced and improperly coded job applicants are not included in this table.